

**Lt. Governor Becky Skillman's Remarks from
the Indiana Rural Summit in Indianapolis
November 18, 2010**

Dr. Bradley I thank you for your participation and support of this summit. I thank all of the universities represented here - for being such great economic engines for our state. Chuck Fluharty, all of us have benefited from your counsel.

All eight of the sponsors of this summit are partners who want to see the entire state moving forward, our small towns in lock step with big cities.

Now some say, if you've seen one small town you've seen 'em all. But in Indiana, I think if you've seen one small town, you've seen one small town. Each community has its own unique strengths and assets.

We've weathered some difficult times, but everyday there are more signs that our state's economy is recovering in small towns and big cities alike.

One pleasant surprise that's come out of the economic challenges the past two years has been the regional approach that so many of you are pursuing to move your hometowns forward.

I helped announce two new regional economic development organizations: Radius in South Central Indiana and Midwest Indiana Economic Development. There are more than 20 regional economic development organizations in our state.

Indiana is getting smaller all the time. Whether it's roads and bridges or fiber optics and broadband access, we are more connected than ever before. One or two generations ago, a win for one town meant a loss for another. I remember a time myself while living in Bedford when Bloomington and Seymour were not just rivals in high school sports, they were our rivals for jobs and investment.

But in 2010 Hoosiers do business across county lines, state lines, and around the world. We live in one place and work in another. Now a win for Bloomington can benefit Bedford and Seymour.

No community represented here today is an island. Every community is part of a larger, regional economy. And that's why this regional approach to economic development makes sense.

I know firsthand the challenges rural communities face; high unemployment, limited access to health care, the challenges of business expansion and creation, and finding opportunities for our young people.

But I also understand the positives to living in a small town. It's hard to put a price tag on the boost from small business and the entrepreneurial spirit. And the rewards of knowing your neighbors and not having to fight big city traffic and crowds. But there's always room for improvement in every community.

Several of the agencies I oversee are capacity-building agencies. These agencies work to help cities, town, and counties meet their economic development goals. Some these agencies include the Office of Community and Rural Affairs, the State's Housing Authority, and the Office of Energy. OCRA in particular helps fund capital projects that might otherwise be out of reach.

Since the legislature approved my proposal to create the first ever Office of Community and Rural Affairs in 2005, we have distributed more than \$146 million to cities, towns and counties.

I recently announced one of our newest tools: The Stellar Communities program. It's currently in its pilot stage and it has great potential to help communities achieve their development goals. Several state agencies are teaming up: OCRA, IHCD and INDOT as well as the IRF. We plan to coordinate funding for your comprehensive community development projects (housing and infrastructure, streetscapes, lighting and community centers). By having these agencies coordinate the funding we expect to be able to deliver larger sums of money for your long-term projects.

But nothing we do in state government is going to create the economy we all want. The real work is done locally where individual risk takers and small business owners are creating prosperity.

You know as well as I do how critical small businesses are to the economy, and we need them now more than ever.

Nothing makes us happier than businesses that start here in Indiana, grow here, and stay here. I believe our economic health will depend on how well our small businesses do. If they are growing and adding just one or two jobs a year and increasing revenue just a few thousand dollars at a time that represents a huge leap forward for the local and state's economy.

We have to pursue every opportunity for growth. During tough times we look to states natural strengths. One of our greatest strengths is the agriculture industry.

Agriculture is a huge economic engine for our state. That's why it's been a priority in our economic development plans for the past six years.

Every year, agriculture contributes \$25 billion dollars to Indiana's economy. It's a diverse and growing industry that should be part of every community's strategic plans. Since we created the State Department of Agriculture in 2005, working hand in hand with our State Economic Development Corporation, we have helped create more than 6,500 new jobs and \$5 billion in private capital investment in new food and agricultural businesses.

And a growing part of the agriculture industry is alternative energy – whether you’re talking about biofuels (corn, soybeans, biomass) or the incredible potential our state has in wind energy this is a huge opportunity for smaller communities. Producers, for example, can introduce wind turbines on their property and continue planting or grazing right up to the base of the turbine. Energy is an ideal compliment to agriculture and Indiana is perfectly positioned geographically to sell green energy to markets where it’s in demand on east coast.

Energy industry reps were part of the trade delegation I led over the summer in China. Twenty-six delegates traveled with me and each represented a major corporation, commodity group, energy organization, university (Purdue), or farm organizations. I couldn’t ask for a team that worked harder than we did in China.

We saw on-the-spot deals for more exports of our Hoosier Homegrown Products, like popcorn and hardwoods. Delegates representing every sector were also encouraged with their potential in China. Outside of agriculture, we have leads for Chinese investment in Indiana for biotechnology and energy projects.

We are working on 10 projects as a direct result of the trade mission. And Governor Mitch is just returning from his mission to China and Japan now. He was following up on some of our leads from our summer visit.

The Governor and I have now led 10 trade missions touching 14 countries. Indiana is the number one state per capita for new foreign direct investment.

In this economic climate we cannot afford to ignore any opportunity that would breathe new life into our communities and put more Hoosiers back to work.

All of us are working toward the same goal, and that’s complete economic rejuvenation for Indiana, for our small towns and big cities alike.

And that requires a business friendly environment. How are we doing? I’ll tell you what others are saying about Indiana. Just this month, *Area Development Magazine* ranked Indiana the 6th best state overall for doing business.

The National Chamber Foundation rated Indiana’s business tax environment as fourth best in the nation, in its report released in May. They cited the state’s tax credit programs for expanding existing businesses and attracting new ones. And they characterized the overall tax environment as “very competitive.”

We agree, and we believe we have the best “sandbox” (or economic development tool box) through a number of new initiatives, we’ve undertaken since 2005 (Major Moves, telecom reform, patent income exemption, Buy Indiana, property tax relief, and regulatory reform).

We are among the leaders in private sector job growth in 2010. According to the latest numbers from the U.S. bureau of Labor Statistics, Indiana's job growth was at 2.4 percent. That's three times the national average.

As of the last report, nearly 55,000 private sector jobs were added in Indiana so far in 2010, (new jobs and jobs added back) accounting for more than 7 percent of the nation's overall job growth (and as you know, we have only 2 percent of the country's population).

I'm proud that we have been able to help so many smaller communities in economic development deals. In fact, in 2009 during the toughest economic time, 65 percent of all the new job commitments came from rural areas. And so far this year, half of the new job commitments in deals sealed with the state came from rural areas.

Just in the past few months, we've had job announcements in: Gas City (Munire Furniture plans to invest \$5 million and create 350 jobs), Portland (Fort Recovery Industries plans to invest \$4 million and create 40 jobs), Peru (Conforce International plans to invest \$13.8 million and create 175 jobs), Versailles (Ohio Rod Products plans to invest \$3.1 million and create 33 jobs), Tell City (Thyssen Kruppp Waupaca plans to invest \$36.5million and create 160 jobs). These are only a few of the recent jobs announcements. Each of those deals has a much greater footprint than the communities named in the press release.

Ultimately, state government is here to be a helping hand to your efforts to improve your communities and quality of life.

I want to thank you for the meaningful way you are contributing to our efforts to move forward. We all have a part to play in Indiana's long-term economic recovery. And right now, we need good people like you who want to get our communities moving forward and making us stronger than ever.

You are the ones who care about the future of our communities and the future of our state. You are a big reason Indiana will see a complete economic comeback.

Thanks for all you do and thanks for being here today.